MILCON Process Reinvention and MILCON Transformation

Executing BRACON and MILCON Program while Implementing MILCON Transformation

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Overview

- MILCON Process Reinvention Status
- BRAC and MILCON Status
- MILCON Transformation
  - Acquisition
  - Standard Designs, Centers of Standardization and Workforce Implications
  - Implementation Timeline and Success Defined

MILCON Process Reinvention

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Why Reinvent the MILCON Process?

- Current standards/processes do not support DoD's requirement of getting quality facilities in the timeframe needed
- Program-wide funding shortfall will occur in the status-quo scenario
- This is a USACE campaign plan goal supporting the USACE strategic plan

"There is no choice"

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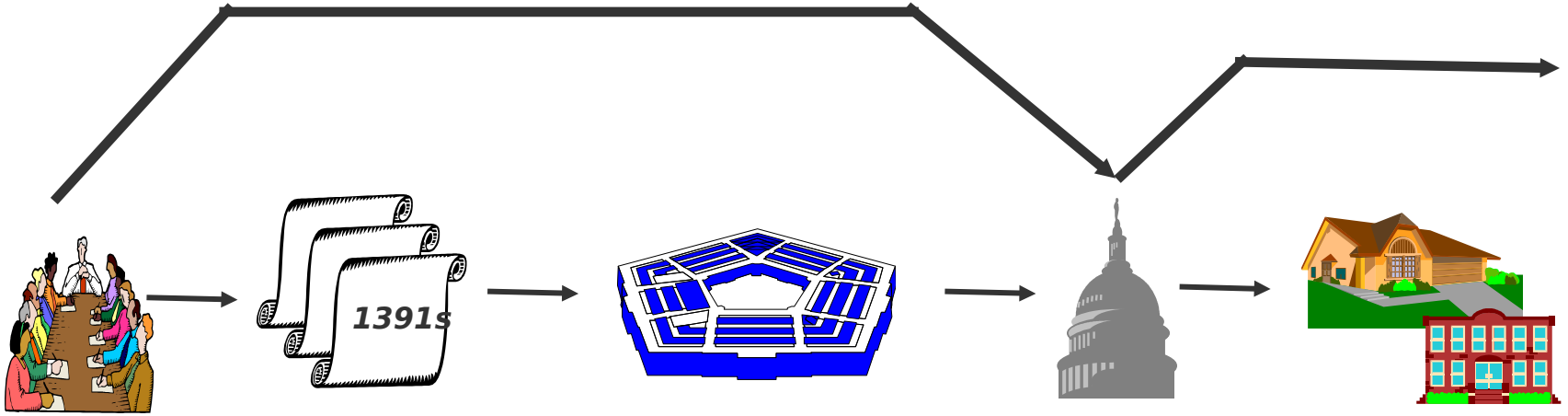
The Military Construction Process



Installation
- Cdr's Priorities
- Rqmts
- Master Plan ISR
- Prepare 1391s

IMA (Base Support)
- Review
- Validation
- Prioritization

MACOM (Mission)
- Review
- Validation
- Prioritization

HQDA
- FYDP
- Review
- Validation
- Project Review Board
- Ranking / Cut
- Submitted

IMBOD

Congress
- Authorization
- Appropriation
- Congressional Adds

New Construction

Planning Charrette | 1391 Validation –IMA; MACOM; USACE; HQDA | Design | Final Design | Construction | O&M

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MILCON Process Reinvention is…

- The Corps ***changes*** the way it executes MILCON and BCA
  - Army, DLA, and Medical Programs will be most affected
  - AF will use current standards and construction criteria with greater emphasis on regional and installation acquisition tools
- Army, DLA and Medical programs will change their processes
  - Greater emphasis on ***master planning***
  - ***Customer*** dictates facility requirements and standards
  - ***Standardization*** of facilities and processes
  - Execution of Army MILCON as a ***continuous building program***
  - Expanded use of ***manufactured building solutions***
  - Greater emphasis on partnering with all USACE customers and with ***industry***

"Quality facilities delivered in less time at lower cost"

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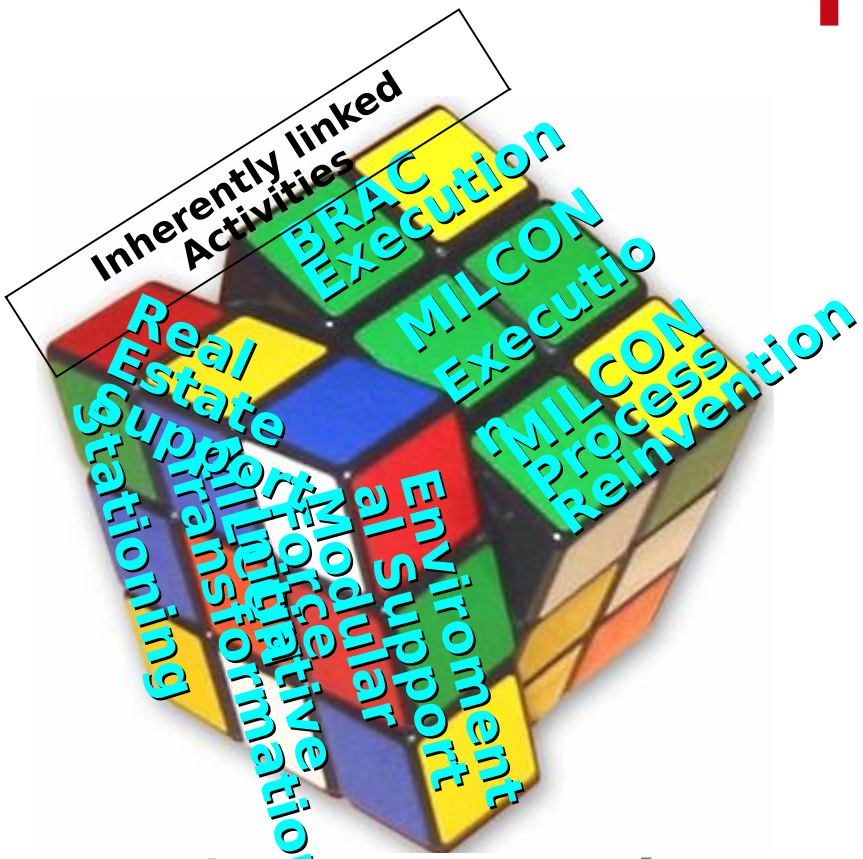
USACE will Reinvent MILCON Processes on the Fly



"USACE must reinvent MILCON processes while executing Mission requirements and implementing MILCON Transformation"

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MILCON Process Reinvention Status

- Army has held a Lean Six Sigma Value Stream Analysis on the MILCON Process
- Two Rapid Improvement Events (RIE) were identified for completion in June/July 06
  - Planning and design (P&D) and construction management improvement
    - ✓ Team is defining the new P&D processes and developing a new P&D funding algorithm for implementation in FY08
    - ✓ Team is redefining USACE S&A methodologies and funding requirements
  - Standard design development, approval and implementation
- Two Value Stream Analysis efforts were identified
  - Master planning
  - Management of Army Family Housing

"Army Secretariat and Staff Leading the Effort"

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MILCON Process Reinvention Expectations

- Program savings
  - Army expects FY08 P&D budget to be reduced and S&A to be adjusted
  - Congress expects FY08 budgets to show reduction in P&D and S&A adjustments
    - ✓ SASC has requested a report after RIE efforts are complete
    - ✓ HASC has indicated they will add report language requesting a report in October 06
- Time savings
  - OSD agencies and Army expect / must have time savings to meet BRAC timeline and mission requirements

"Cost and time savings expectations are high"

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MILCON and BRAC Status

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BRAC Status

- FY06 projects have been authorized and funds released
- FY07 projects have been identified and Congressional Committees are marking the bills
- OSD is still reviewing business plans
- AF and other DoD agencies have only funded design activities in FY06 – construction will start in FY07
- FY08-11
  - Projects are being revalidated and prioritized
  - No designs have been authorized
- BRAC projects are being funded at the expense of MILCON projects
- NEPA efforts are being expedited

"BRAC program is still being refined"

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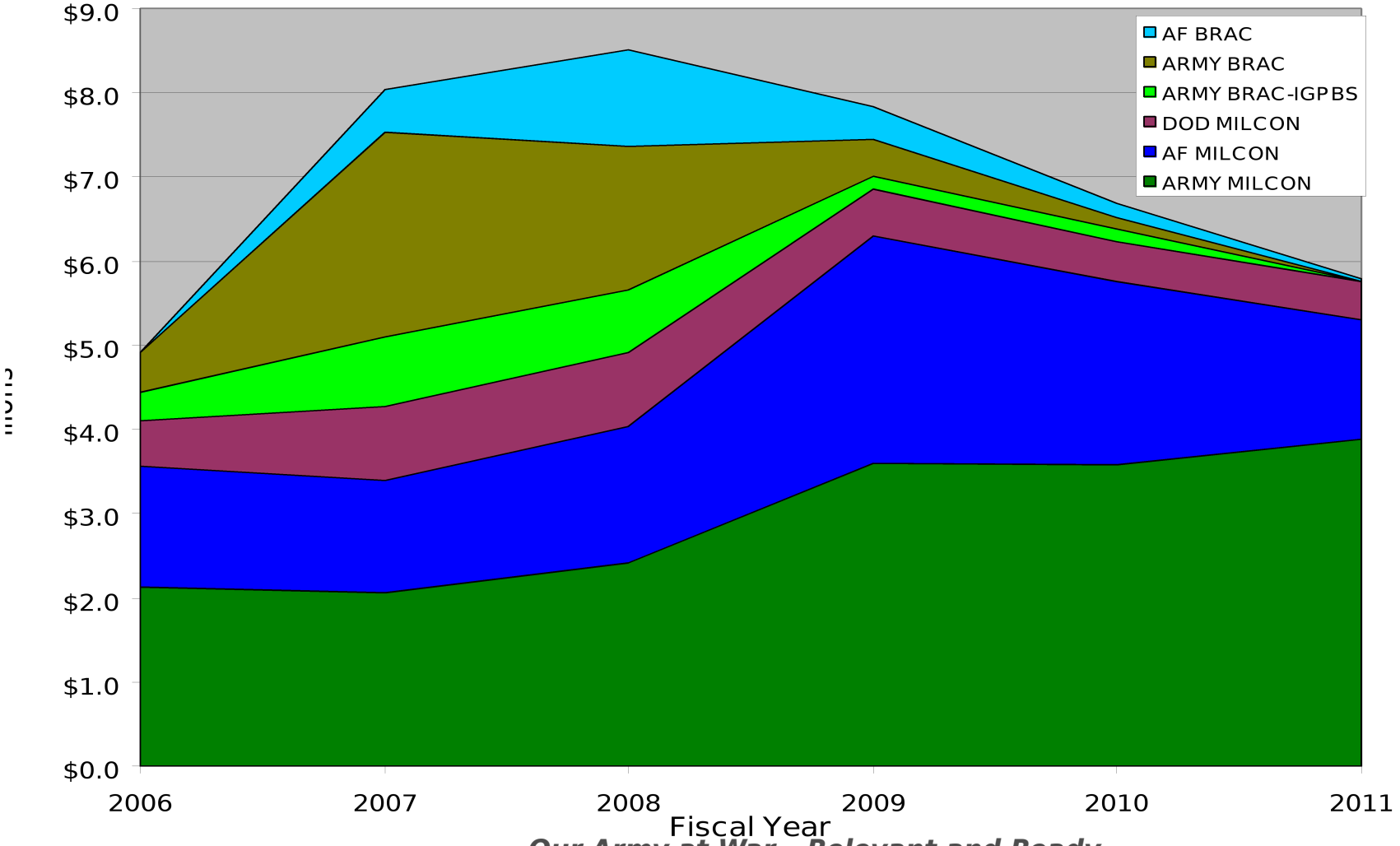
FY06 Army BRAC 2005 Budget

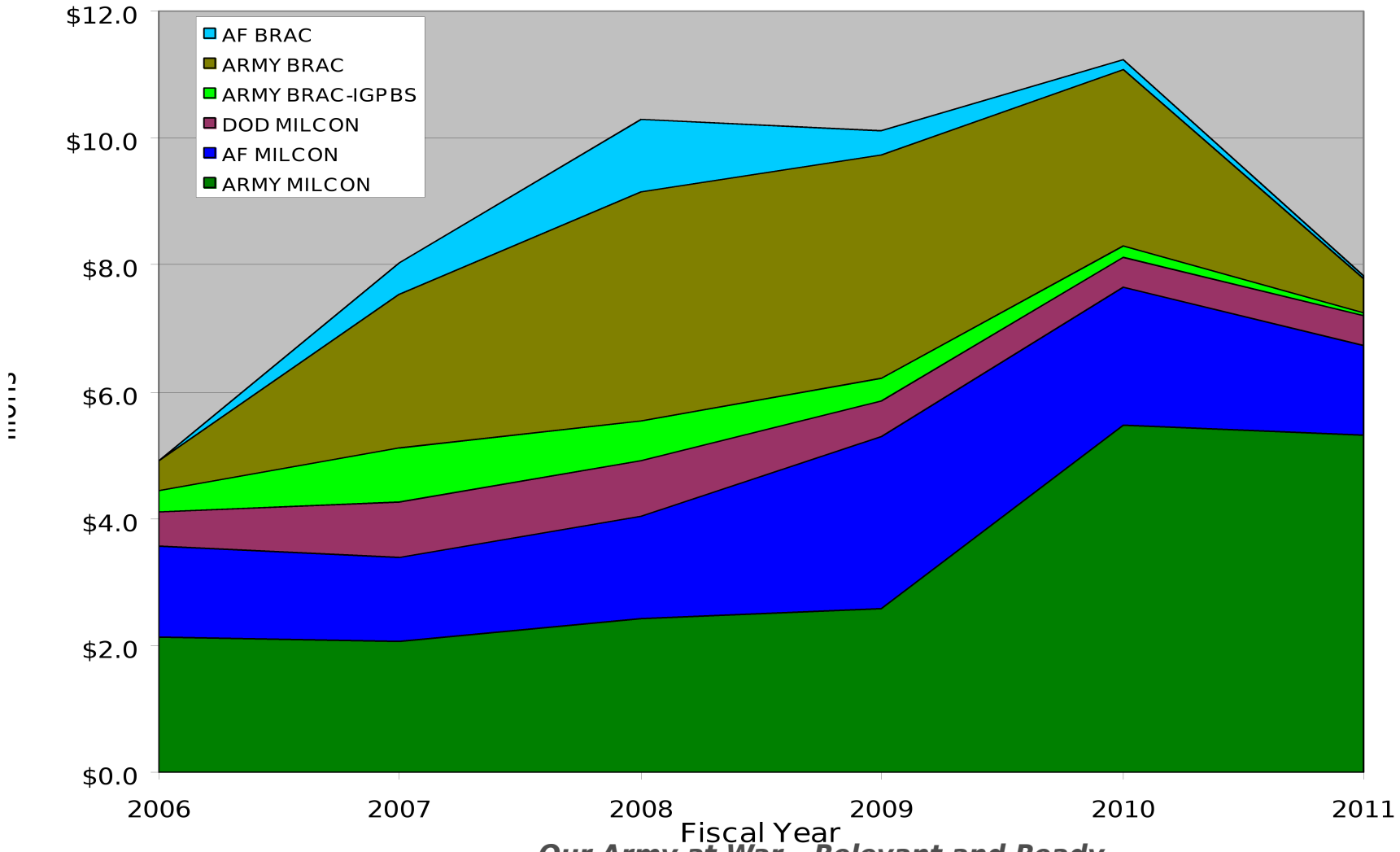
BRAC Construction (BRACON)	$645.5M
Planning and Design	$162.5M
Environmental (NEPA)	$35.531M
O&M	$28.569M

Total FY06 Budget
$872.1M

Projected Funding March 06



Projected Funding April 06



Execution Guidance & Metrics

- RTA Target for MILCON
  - 100% of projects RTA by 30 Sep PY-1
    - ✓(FY2007 projects RTA due 30 Sep 2006)
- Construction Contract Award
  - 100% Pres-Bud projects by 31 Mar of PY
    - ✓(FY2007 projects construction award 31 Mar 2007)
  - 100% congressional inserts and all remaining PY and prior year projects by 31 Aug of PY
    - ✓(FY2006 and prior year projects construction award 31 Aug 2006)

Army MILCON Transformation

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DASA(I&H) Direction

Development of strategy and implementation plan to support the major permanent restationing initiatives that the Army will execute. Overall objective is to provide the ability to establish, reuse/re-purpose facilities with minimum lead-time, leverage private industry standards and practices and to reduce acquisition/lifecycle costs

Nov 2004

Framing the Strategy

- Team effort between government and industry
- We engaged industry representatives (including DBIA) and Army (ACSIM, IMA and facility proponents) in the RFP development
- We received feedback from industry during strategy development:
  - National Industry Forum: Washington, DC
  - Regional Industry Forums: Atlanta, Ft. Worth, Kansas City and Seattle
  - Modular Solutions industry Forum: Washington, DC
  - Model RFP review by industry (AGC, ACEC, DBIA, AIA) representatives: Washington, DC
- Feedback from within the DoD
  - AUSA/IMA DPW Symposium: Kansas City, MO
  - Missouri River Regional SAME Conference: Kansas City, MO
  - USACE District Leadership Workshop: Ft. Belvoir, VA
  - Installation Capabilities Council: Pentagon
  - USACE Senior Leaders Conferences

Acquisition

Acquisition Strategy

- Moving away from acquiring facilities one at a time
- Geographic districts have the responsibility for the project infrastructure / site development execution
- Centers of Standardization are responsible for developing the acquisition vehicles for the acquiring of the standard facilities themselves
  - Regional IDIQ contracts by facility type
  - Award task orders for geographic district execution
  - COS retain Contracting Officer Authority
  - Geographic districts have ACO authority
  - FY08, acquisition vehicles will be for the site adaptation of “adapt-build” models versus the FY 06/07 ‘design-build” models

The Model RFP… Time, Cost, Quality?

- Model RFP Objectives for Time, Cost and Quality:
  - Aggressive time goals established
  - 20% reduction in cost over the existing design criteria and USACE processes up front in the programming
  - The primary factor in the competition is to maximize quality within the time and cost constraints

The Model RFP… What It does

- Provides consistent contracting mechanism throughout the Army.
- Sets the baseline Functional, Operational, and Technical Standards for all similar projects
- Sets ambitious Schedule and Budget, & Evaluates on Quality received.
- Performance based requirements, maximizing flexibility.
- Allows the addition of site specific requirements (i.e.., aesthetics, environmental permitting process, siting, geotech, seismic, etc).
- Provides for Life Cycle Cost, Maintainability, Durability, ATFP, Energy Efficiency, Sustainability, etc.
- Modifiable by Army Facility Design Teams and USACE Technical Proponents

Standard Designs, Centers of Standardization and Workforce Implications

Facility Requirements and Standards Dictated by ACSIM

- Defines facility requirements and standards
- Dictates standardization for similar facility types
- Programs total mission requirements of BCT on one DD 1391

" Direction from the customer … ACSIM"

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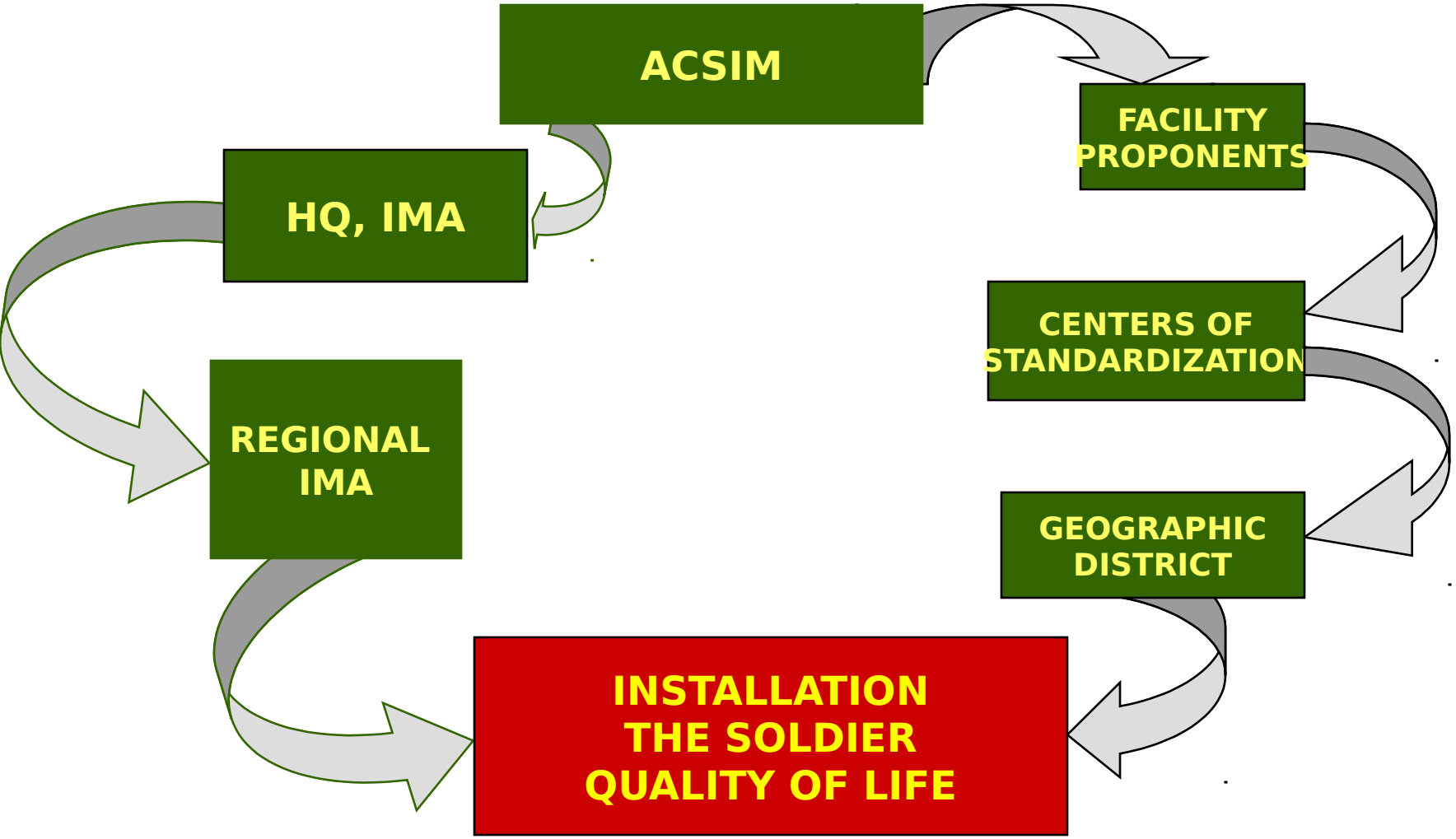
Army Facilities Team



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Centers of Standardization / Realignment – 6 March 2006

- **Huntsville Center (15)**
  - Physical Fitness
  - Outdoor Sports Facility
  - Child Development (2)
  - Youth Activity Centers
  - Consolidated Fire, Safety and Security Facility
  - Fire Station
  - Army Community Service Center
  - Bowling Center RFP
  - Hazard Material Storage
  - Close Combat Tactical Trainer
  - Mil. Ops. Urban Terrain Facility
  - Training Ranges
  - Battle Cmd Training Ctr.
  - Training Support Ctr.
  - Medical Facilities
- **Louisville District/LRD (2)**
  - Army Reserve Centers
  - Operational Readiness Training Complex
- **Norfolk District/NAD (7)**
  - General Instructional Facility
  - Classroom 21
  - Enlisted personnel Dining Facility
  - Mil. Entrance Processing Stations
  - Family Housing RFP
  - Information Systems Facility
  - Criminal Investigation Facility
- **Omaha District/NWD (2)**
  - Religious Facilities
  - Access Control Points

Centers of Standardization / Realignment - 6 March 2006

- **Mobile District/SAD (2)**
  - Aviation – Vertical Construction
  - 4 Star HQ Facility
- **Savannah District/SAD (6)**
  - Company Operations Facility
  - Tactical Equipment Maintenance
  - Brigade Operations Complex
  - Brigade/ Battalion HQ: Admin
  - Cmd./Control : UEy and Corps (UEx) HQ: Admin/Operations
  - Deployment Facility
- **Honolulu District/POD (2)**
  - Unaccompanied Officers Quarters
  - Transient Officers Quarters
- **Ft. Worth District/SWD (5)**
  - Unaccompanied Enlisted Personnel Housing
  - Basic Combat Training Complex/One Station Unit Trainee
  - Advanced individual Training Complex
  - General Purpose Warehouse
  - Central Issue Warehouse

Stand-up of Centers of Standardization/ Design Centers

- Organizational Meeting: 29-31 Mar 06 at HQUSACE
- Flush-out roles and responsibilities: 1 Apr–8 May 06
- Determining workloads…building budget-plan for each COS: 1 Apr – 8 May 06
- Developing IDIQ acquisition plans: 1 Apr–1 Jun 06
- Draft Program Management Plans due: 8 May 06
- Discuss issues at HQUSACE: Late May 06
- Regional IDIQ contracts in place: 30 Sep 06

Centers of Standardization/Design Centers Responsibilities

- For HQDA:
  - Development of technical solutions that meet facility functional requirements
  - Develops standard criteria
  - Enforcer of Army Standards (ACSIM is approving authority for waivers to Army standards)
- For USACE:
  - Become the design centers for the their assigned standard facilities
  - Maintain Model RFP statements of work
  - Become technical resource for executing districts
  - Establish regional IDIQ contracts for services associated w/ assigned facility types
    - ✓ Award task orders for geographic district execution
    - ✓ COS retain Contracting Officer Authority;
    - ✓ Geographic districts have ACO authority

Geographic District Roles and Responsibilities

- District remains the PM for the project and is the USACE interface w/ installation
- District leads the planning charrette efforts for development of 1391s
- District executes the site development of overall project and acts as the integrator
- District executes task orders from COS IDIQ contracts to construct standard facilities
- District has the overall responsibility for the construction management on the site
- District reviews work from code compliance perspective versus from an Army standard perspective

What the Workfoce Will be Doing under MT

- In the geographic districts there will be less in-house design for the Army
- Centers of Standardization will be the primary design centers for the Army program
- For the Army program, there will be a shifting of our technical expertise from the “board” to the “field”
- Workforce will be learning new skill sets as we change our execution processes

MILCON Transformation Timeline and Success Defined

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Timeline to End-State

- FY2006 (Set-up & Learn)
  - Pilot test the MT RFP (Design-build)
    - ✓ Ft Campbell (MCA)
    - ✓ Ft Bliss – BCT and Infrastructure (BRAC)
    - ✓ Ft Knox – BCT facilities (BRAC)
    - ✓ FT Carson – BCT (BRAC)
    - ✓ Ft Riley - Division HQ/Sustainment Brigade HQ (BRAC)
  - Restructure Centers of Standardization (CoS)
    - ✓ Establish responsibilities
    - ✓ Establish Regional IDIQ contracts
- FY2007 (Operational)
  - Use MT RFP on all applicable Army projects
  - CoS establish the “adapt-build” Regional models & contracts
- FY2008 (Full implementation)
  - Utilize ‘adapt-build” models
  - COS in full operation

Success Is…

- 15% cost savings and 30% time savings
- Facilities with a 50 year life cycle
- Lower unit costs for primary facilities with a greater ability to absorb market changes
- Completing a **complete** BCT in 15-24 months
- Completing a **quality** BCT within the 1391 Program Amounts
  - Ability to lower unit costs
  - Ability to absorb detrimental market conditions
- Achievement of Army **sustainability** standards
- Continue to meet Army/DoD **Small Business** requirements

Comments / Questions!??